

CITY OF HULL

INDEPENDENT AUDITOR'S REPORTS  
BASIC FINANCIAL STATEMENTS  
SUPPLEMENTARY INFORMATION AND  
SCHEDULE OF FINDINGS

June 30, 2013

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City of Hull

Officials

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Roger Vis	Mayor	Jan 2015
Mike Broek	Council Member	Jan 2015
Eric Rankin	Council Member	Jan 2017
Ethan Vaas	Council Member	Jan 2017
Joel Leusink	Council Member	Jan 2017
Roger Buys	Council Member	Jan 2015
Aaron Kooiker	City Administrator	Indefinite
Dwayne Bonestroo	Dep. Clerk/Treasurer	Indefinite
DeKoster & DeKoster	Attorney	Indefinite

## Independent Auditor's Report

To the Honorable Mayor and  
Members of the City Council

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of City of Hull, Iowa, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the City's basic financial statements listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the cash basis of accounting described in Note 1. This includes determining the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. This includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control.

Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of City of Hull, Iowa as of June 30, 2013, and the respective changes in cash basis financial position for the year then ended in accordance with the basis of accounting described in Note 1.

### Basis of Accounting

As described in Note 1, these financial statements were prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles. Our opinion is not modified with respect to this matter.

### Other Matters

#### *Supplementary and Other Information*

Our Audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Hull's basic financial statements. We previously audited, in accordance with the standards referred to in the third paragraph of this report, the financial statements for the two years ended June 30, 2012 (which are not presented herein) and expressed unqualified opinions on those financial statements which were prepared on the basis of cash receipts and disbursements. The supplementary information included in Schedules 1 through 5, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with U.S. generally accepted auditing standards. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The other information, Management's Discussion and Analysis and the budgetary comparison information on pages 6 through 12 and 24 through 25 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 20, 2013 on our consideration of City of Hull's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering City of Hull's internal control over financial reporting and compliance.

Le Mars, Iowa  
December 20, 2013

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## **MANGEMENTS DISCUSSION AND ANALYSIS**

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The City of Hull provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2013. We encourage readers to consider this information in conjunction with the City's financial statements, which follow.

### **2013 FINANCIAL HIGHLIGHTS**

- The cash basis net assets of the City's governmental activities decreased \$709,236, due primarily to and spending for building and street construction.
- The cash basis net assets of the City's business type activities increased \$83,573.

### **USING THIS ANNUAL REPORT**

The annual report consists of a series of financial statements and other information as follows:

Management's Discussion and Analysis introduces the basic financial statements and provides an analytical overview of the City's financial activities.

The Government-wide Financial Statement consists of a Statement of Activities and Net Assets. This statement provides information about the activities of the City as a whole and presents an overall view of the City's finances.

The Fund Financial Statements tell how governmental services were financed in the short term as well as what remains for future spending. Fund financial statements report the City's operations in more detail than the government-wide statement by providing information about the most significant funds.

Notes to Financial Statements provide additional information essential to a full understanding of the data provided in the basic financial statements.

Required Supplementary Information further explains and supports the financial statements with a comparison of the City's budget for the year.

Other Supplementary Information provides detailed information about the nonmajor governmental funds and the City's indebtedness.

## **BASIS OF ACCOUNTING**

The City maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles. Therefore, when reviewing the financial information and discussion within this annual report, readers should keep in mind the limitations resulting from the use of the cash basis of accounting.

## **REPORTING THE CITY'S FINANCIAL ACTIVITIES**

### *Government-wide Financial Statement*

One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Activities and Net Assets reports information which helps answer this question.

The Statement of Activities and Net assets presents the City's net assets. Over time, increases or decreases in the City's net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities and Net Assets is divided into two kinds of activities:

- Governmental Activities include public safety, public works, culture and recreation, community and economic development, general government, debt service and capital projects. Property tax and state and federal grants finance most of these activities.
- Business Type Activities include the water and sewer systems. These activities are financed primarily by user charges.

### *Fund Financial Statements*

The City has two kinds of funds:

- 1) Governmental funds account for most of the City's basic services. These focus on how money flows into and out of those funds, and the balances at year-end that are available for spending. The governmental funds include: 1) the General Funds, 2) the Special Revenue Funds, such as Road use Tax and Local Option Sales Tax, 3) the Debt Service Funds and 4) the Capital Projects Fund.

The governmental fund financial statements provide a detailed, short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.



The required financial statement for governmental funds is a statement of cash receipts, disbursements and changes in cash balances.

2) Proprietary funds account for the City's Enterprise Funds. Enterprise Funds are used to report business type activities. The City maintains two Enterprise Funds to provide separate information for the water and sewer funds, considered to be major funds of the City.

The required financial statement for the proprietary funds is a statement of cash receipts, disbursements and changes in cash balances.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net assets may serve over time as a useful indicator of financial position. The City's cash balance for governmental activities increased from a year ago, decreased from \$1,477,363 to \$768,127. The analysis that follows focuses on the changes in cash basis net assets of governmental activities.

Changes in Cash Basis Net Assets of Governmental Activities	
	Year ended June 30, <u>2013</u>
Program receipts:	
Charges for service	\$ 147,845
General receipts:	
Property tax	705,868
TIF revenues	707,584
Local option sales tax	252,686
Unrestricted interest on investments	1,482
Other general receipts	<u>520,290</u>
Total receipts	<u>2,335,755</u>
Disbursements:	
Public safety	311,732
Public works	317,633
Culture and recreation	399,379
Community and economic development	444,000
General government	231,910
Debt service	578,140
Capital projects	<u>762,197</u>
Total disbursements	<u>3,044,991</u>
Decrease in cash basis net assets	(709,236)
Cash basis net assets beginning of year	<u>1,477,363</u>
Cash basis net assets end of year	<u>\$ 768,127</u>

Changes in Cash Basis Net Assets Business Type Activities		Year ended June 30, 2013
Receipts:		
Program receipts:		
Charges for service:		
		188,983
Water	\$	543,832
Sewer		<u>242,219</u>
Total receipts		<u>975,034</u>
<u>Disbursements:</u>		
Solid waste		301,600
Water		577,986
Sewer		<u>309,625</u>
Total disbursements		<u>1,189,211</u>
Increase in cash basis net assets		(214,177)
Other revenue and financing activities		297,750
Cash basis net assets beginning of year		<u>379,823</u>
Cash basis net assets end of year		<u>\$ 463,396</u>

#### INDIVIDUAL MAJOR GOVERNMENTAL FUND ANALYSIS

As the City of Hull completed the year, its governmental funds reported a combined fund balance of \$768,127, a decrease of \$709,236 over last year's total of \$1,477,363. The following are the major reasons for the changes in fund balances of the major funds from the prior year.

- The General Funds cash balance decreased \$47,637 over the prior year to \$127,353. The decrease is, in part, due to increased spending during fiscal year 2013.
- The TIF Revenue cash balance decreased \$191,833 to \$251,704 during the fiscal year.

## INDIVIDUAL MAJOR BUSINESS TYPE FUND ANALYSIS

- The Water Fund cash balance decreased \$74,993 to \$326,286.
- The Sewer Fund cash balance increased \$95,243 to \$73,787, due primarily to increased receipts during the fiscal year.

## BUDGETRY HIGHLIGHTS

In March, 2013 the City did amend its budget. The City did not exceed the amount budgeted in the public safety, culture and recreation, general government and business type activities functions.

## DEBT ADMINISTRATION

At June 30, 2013, the City had \$5,400,057 in outstanding notes and other long-term debt outstanding, compared to \$5,789,500 last year, as shown below.

Outstanding Debt at Year-end		
	June 30,	
	2013	2012
TIF Bonds	\$1,373,426	\$1,290,000
General obligation bonds	3,191,881	3,588,500
Water Improvements	410,000	540,000
Sewer Improvements	331,000	371,000
Solid Waste Improvements	<u>93,750</u>	<u></u>
Total	<u>\$5,400,057</u>	<u>\$5,789,500</u>

The Constitution of the State of Iowa limits the amount of general obligation debt cities can issue to 5% of the assessed value of all taxable property within the City's corporate limits. The City's outstanding general obligation debt of \$3,191,881 is well below its constitutional debt limit of \$5,451,113.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Several factors were considered when formulating the FY 2013 budget:

- The FY2013 budget contains receipts totaling \$3,138,971 and disbursements totaling \$3,848,207.
- The FY2013 levy is \$8.10 per \$1,000 of taxable valuation, the same as in FY2013. However, this maximum levy is not supporting the City's general operating expenses. The City levied the amounts necessary for insurance, totaling approximately \$50,000, and other employee benefits, totaling approximately \$45,000.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Dwayne Bonestroo, Deputy City Clerk PO Box 816, Hull, Iowa 51239-0816.

## **Basic Financial Statements**

City of Hull

Cash Basis Statement of Activities and Net Position

As of and for the year ended June 30, 2013

		Program Receipts		
		Charges for	Operating Grants, Contributions and Restricted Interest	Capital Grants Contributions and Restricted Interest
	Disbursements	Service		
<b>Functions/Programs:</b>				
Governmental activities:				
Public safety	\$311,732	\$ 65,496	\$ 22,985	
Public works	317,633			
Culture and recreation	399,379	82,349		
Community and economic development	444,000			
General government	231,910			
Debt service	578,140			
Capital projects	<u>762,197</u>			<u>\$762,197</u>
Total governmental activities	<u>3,044,991</u>	<u>147,845</u>	<u>22,985</u>	<u>762,197</u>
Business type activities:				
Solid Waste	301,600	188,983		
Water	577,986	543,832		
Sewer	<u>309,625</u>	<u>242,219</u>		
Total business type activities	<u>1,189,211</u>	<u>975,034</u>		
Total	<u>4,234,202</u>	<u>1,122,879</u>	<u>22,985</u>	<u>762,197</u>

**General Receipts:**

Property and other city tax levied for:  
 General purposes  
 Debt service  
 Tax Increment Financing  
 Other city taxes  
 Local option sales tax  
 Unrestricted interest on investments  
 Miscellaneous  
 Financing  
 Total general receipts

Change in cash basis net position

Cash basis net position beginning of year

Cash basis net position end of year

**Cash Basis Net Position**

Restricted:

Debt service  
 Sinking Fund

Unrestricted

**Total cash basis net position**

See notes to financial statements.

Net (Disbursements) Receipts and Changes in Cash Basis Net Assets		
Governmental Activities	Business Type Activities	Total
\$ 223,251		\$ 223,251
317,633		317,633
317,030		317,030
444,000		444,000
231,910		231,910
578,140		578,140
<u>2,111,964</u>		<u>2,111,964</u>
	\$112,617	112,617
	34,154	34,154
	<u>67,406</u>	<u>67,406</u>
	<u>214,177</u>	<u>214,177</u>
	<u>214,177</u>	<u>214,177</u>
415,927		415,927
244,834		244,834
707,584		707,584
2,040		2,040
252,686		252,686
1,482		1,482
	297,750	297,750
<u>(221,825)</u>		<u>(221,825)</u>
<u>1,402,728</u>	<u>297,750</u>	<u>1,700,478</u>
(709,236)	83,573	(625,663)
<u>1,477,363</u>	<u>379,823</u>	<u>1,857,186</u>
<u>\$ 768,127</u>	<u>\$ 463,396</u>	<u>\$1,231,523</u>
14,800		14,800
	6,001	6,001
<u>753,327</u>	<u>457,395</u>	<u>1,210,722</u>
<u>\$ 768,127</u>	<u>\$ 463,396</u>	<u>\$1,231,523</u>



City of Hull  
Statement of Cash Receipts, Disbursements  
and Changes in Cash Balances  
Governmental Funds

As of and for the year ended June 30, 2013

	General	Special Revenue Tax Investment Financing
Receipts:		
Property tax	\$ 415,927	
Tax Increment Financing		\$707,584
Other city tax	1,344	
Licenses and permits	103,286	
Use of money and property	14,098	
Intergovernmental	50,578	
Charges for service	143,490	
Special Assessments		
Miscellaneous	<u>13,314</u>	
Total receipts	<u>742,037</u>	<u>707,584</u>
Disbursements:		
Operating:		
Public safety	311,732	54,062
Public works	13,529	
Culture and recreation	357,429	
Community and economic development	9,931	434,069
General government	219,748	
Debt service		
Capital Project		
Total disbursements	<u>912,369</u>	<u>488,131</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(170,332)</u>	<u>219,453</u>
Other financing sources (uses):		
Operating transfers in	252,686	
Operating transfers out	<u>(129,991)</u>	<u>(250,039)</u>
Total other financing sources (uses)	<u>122,695</u>	<u>(250,039)</u>
Net change in cash balances	(47,637)	(30,586)
Cash balances beginning of year	<u>174,990</u>	<u>443,537</u>
Cash balances end of year	<u>\$ 127,353</u>	<u>\$412,951</u>
<b>Cash Basis net position</b>		
Reserved for debt service		
Unreserved:		
General fund	127,353	
Special revenue funds		\$412,951
Capital projects fund		
Total cash basis net position	<u>\$ 127,353</u>	<u>\$412,951</u>

See notes to financial statements.

Debt Service	Nonmajor	Total
\$244,834	\$ 45,107	\$705,868
		707,584
542	252,840	254,726
		103,286
248	735	15,081
	315,296	365,874
	4,355	147,845
772		772
	49,778	63,092
246,396	668,111	2,364,128
		311,732
	250,042	317,633
	41,950	399,379
		444,000
	12,162	231,910
578,140		578,140
	762,197	762,197
578,140	1,066,351	3,044,991
(331,744)	(398,240)	(680,863)
333,733	188,424	774,843
	(423,186)	(803,216)
333,733	(234,762)	(28,373)
1,989	(633,002)	(709,236)
14,800	844,036	1,477,363
\$16,789	\$211,034	\$768,127
\$16,789		\$16,789
		127,353
	247,188	660,139
	(36,154)	(36,154)
\$ 16,789	\$ 211,034	\$768,127

## City of Hull

Statement of Cash Receipts, Disbursements  
And Changes in Cash Balances  
Proprietary Funds

As of and for the year ended June 30, 2013

	Enterprise				
	Water	Sewer	Solid Waste	Utility Dept.	Total
Operating receipts:					
Charges for service	\$ 543,832	\$ 242,219	\$188,983		\$ 975,034
Miscellaneous	<u>(24,640)</u>	<u>162,649</u>	<u>127,168</u>	<u>\$ 4,199</u>	<u>269,376</u>
Total operating receipts	519,192	404,868	316,151	4,199	1,244,410
Operating disbursements:					
Business type activities	<u>575,067</u>	<u>309,625</u>	<u>301,600</u>	<u>2,919</u>	<u>1,189,211</u>
Net change in cash balances	(55,875)	95,243	14,551	1,280	55,199
Cash balances beginning of year	<u>388,161</u>	<u>(21,456)</u>	<u>28,373</u>	<u>13,118</u>	<u>408,196</u>
Cash balances end of year	<u>332,286</u>	<u>73,787</u>	<u>42,924</u>	<u>14,398</u>	<u>463,395</u>
<b>Cash Basis Fund Balances</b>					
Reserved for sinking fund	6,000				6,000
Unreserved	<u>326,286</u>	<u>73,787</u>	<u>42,924</u>	<u>14,398</u>	<u>457,395</u>
 Total cash basis fund balances	<u>\$ 332,286</u>	<u>\$ 73,787</u>	<u>\$ 42,924</u>	<u>\$ 14,398</u>	<u>\$463,395</u>

See notes to financial statements

City of Hull

Notes to Financial Statements

June 30, 2013

**(1) Summary of Significant Accounting Policies**

The City of Hull is a political subdivision of the State of Iowa located in Sioux County. It was first incorporated in 1835 and operates under the Home Rule provisions of the Constitution of Iowa. The City operates under the Mayor-Council form of government with the Mayor and Council members elected on a non-partisan basis. The City provides numerous services to citizens, including public safety, public works, health and social services, culture and recreation, community and economic development and general government services. The City also provides water and sewer utilities for its citizens.

**A. Reporting Entity**

For financial reporting purposes, City of Hull has included all funds, organizations, agencies, boards, commissions and authorities. The City has also considered all potential component units for which it is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific benefits to or impose specific financial burdens on the City.

The City has no component units which meet the Governmental Accounting Standards Board criteria.

**Jointly Governed Organizations**

The City participates in several jointly governed organizations that provide goods or services to the citizenry of the City but do not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. City officials are members of the following boards and commissions: Northwest Area Solid Waste Agency, Sioux County Communications Commission, Lewis and Clark Rural Water Systems and Northwest Iowa Housing Commission.

City of Hull

Notes to Financial Statements

June 30, 2013

B. Basis of Presentation

Government-wide Financial Statement – The Statement of Activities and Net Assets reports information on all of the nonfiduciary activities of the City. For the most part, the effect of interfund activity has been removed from this statement. Governmental activities, which are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Activities and Net Assets presents the City's nonfiduciary net assets. Net assets are reported in the following categories:

*Restricted net assets* result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

*Unrestricted net assets* consist of net assets not meeting the definition of the preceding category. Unrestricted net assets often have constraints on resources imposed by management, which can be removed or modified.

The statement of Activities and Net Assets demonstrates the degree to which the direct disbursements of a given function are offset by program receipts. Direct disbursements are those clearly identifiable with a specific function. Program receipts include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants, contributions and interest on investments restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program receipts are reported instead as general receipts.

Fund Financial Statements – Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor governmental funds.

City of Hull

Notes to Financial Statements

June 30, 2013

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. All general tax receipts and other receipts not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating disbursements, the fixed charges and the capital improvement costs not paid from other funds.

Special Revenue:

The Road Use Tax Fund is used to account for road construction and maintenance.

The Local Option Sales Tax Fund is used to account for the 40% of the dollars collected for infrastructure improvements.

The Debt Service Fund is utilized to account for the payment of interest and principal on the City's general long-term debt.

The City reports the following major proprietary funds:

The Water Fund accounts for the operation and maintenance of the City's water system.

The Sewer Fund accounts for the operation and maintenance of the City's waste water treatment and sanitary sewer system.

C. Measurement Focus and Basis of Accounting

The City of Hull maintains its financial records on the basis of cash receipts and disbursements and the financial statements of the City are prepared on that basis. The cash basis of accounting does not give effect to accounts receivable, accounts payable and accrued items. Accordingly, the financial statements do not present financial position and results of operations of the funds in accordance with U.S. generally accepted accounting principles.

City of Hull

Notes to Financial Statements

June 30, 2013

Under the terms grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general receipts. Thus, when program disbursements are paid, there are both restricted and unrestricted cash basis net assets available to finance the program. It is the City's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants and then by generally receipts.

Proprietary funds distinguish operating receipts and disbursements from non-operating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All receipts and disbursements not meeting this definition are reported as non-operating receipts and disbursements.

D. Governmental Cash Basis Net Position:

In the governmental fund financial statements, cash basis fund balances are classified as follows:

Non-spendable – Amounts which cannot be spent because they are legally or contractually required to be maintained intact.

Restricted - Amounts restricted to specific purposes when constraints placed on the use of the resources are either externally imposed by creditors, grantors, or state or federal laws or imposed by law through constitutional provisions or enabling legislation.

Assigned - Amounts the Council intends to use for specific purposes.

Unassigned - All amounts not included in other spendable classifications.

E. Budgets and Budgetary Accounting

The budgetary comparison and related disclosures are reported as Required Supplementary Information. During the year ended June 30, 2013, disbursements did not exceed the amounts budgeted.

City of Hull  
Notes to Financial Statements  
June 30, 2013

**(2) Cash and Pooled Investments**

The City's deposits in banks at June 30, 2013 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The City is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the City Council; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants of improvement certificates of a drainage district.

The City had no investments meeting the disclosure requirements of Governmental Accounting Standards Board Statement No. 3, as amended by Statement No. 40.



City of Hull

Notes to Financial Statements

June 30, 2013

**(3) Bonds and Notes Payable**

Annual debt service requirements to maturity for general obligation bonds, urban renewal tax increment financing revenue bonds and revenue notes are as follows:

Year Ending June 30,	General Obligation		Urban Renewal Tax Increment Financing		Revenue Notes		Total	
	Bonds		Revenue Bonds					
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 400,000	78,861	427,725	15,375	113,250	23,581	940,975	117,817
2015	405,000	80,348	425,724	12,377	115,250	21,184	945,974	113,909
2016	255,000	73,778	433,690	9,411	116,250	18,756	804,940	101,945
2017	185,000	67,845	81,804	6,296	92,000	16,057	358,804	90,198
2018	110,000	62,810	30,218	3,639	94,000	13,322	234,218	79,771
Thereafter	1,760,000	485,632	51,146	12,983	304,000	25,339	2,115,146	523,954
Total	\$ 3,115,000	849,274	1,450,307	60,081	834,750	118,239	5,400,057	1,027,594

The Code of Iowa requires principal and interest on general obligation bonds be paid from the Debt Service Fund.

Urban Renewal Tax Increment Financing Revenue Bonds

The City issued \$1,980,778 of urban renewal tax increment financing (TIF) revenue bonds in December 2007 and 2011 for the purpose of defraying a portion of the costs of various construction and refurbishing projects within the urban renewal district. The bonds are payable solely from the TIF receipts generated by increased property values in the City's TIF district and credited to the Special Revenue, Urban Renewal Tax Increment Fund in accordance with Chapter 403.19 of the Code of Iowa. TIF receipts are generally projected to produce 100% of the debt service requirements over the life of the bonds. The proceeds of the urban renewal tax increment financing revenue bonds shall be expended only for purposes which are consistent with the plans of the City's urban renewal area. The bonds are not a general obligation of the City. However, the debt is subject to the constitutional debt limitation of the City. Total principal and interest remaining on the bonds is \$1,510,388, payable through June 2020. For the current year, interest paid and total TIF receipts were \$8,459 and \$707,584, respectively.

City of Hull

Notes to Financial Statements

June 30, 2013

Revenue Notes

The City has pledged future water customer receipts, net of specified operation disbursements, to repay \$610,000 of water revenue notes issued in May 2007. Proceeds from the notes provided financing for the construction of water main extension. The notes are payable solely from water customer net receipts and are payable through 2022. Annual principal and interest payments on the notes are expected to require less than 80% of net receipts. The total principal and interest remaining to be paid on the notes is \$410,000. For the current year, principal and interest paid and total customer net receipts were \$53,938 and \$519,192, respectively.

The City pledged future sewer customer receipts, net of specified operating disbursements, to repay \$750,000 of sewer revenue notes issued in November 2000. Proceeds from the notes provided financing for the construction of improvements to the sewer treatment plant. The notes are payable solely from sewer customer net receipts and are payable through 2020. Annual principal and interest payments on the notes are expected to require less than 25% of net receipts. The total principal and interest remaining to be paid on the notes is \$331,000. For the current year, principal and interest paid and total customer net receipts were \$51,130 and \$404,868, respectively.

The resolutions providing for the issuance of the revenue notes include the following provisions:

- (a) The notes will only be redeemed from the future earnings of the enterprise activity and the note holders hold a lien on the future earnings of the funds.
- (b) Sufficient monthly transfers shall be made to separate water and sewer revenue note sinking accounts within the Enterprise Funds for the purpose of making the note principal and interest payments when due.

**(4) Pension and Retirement Benefits**

The City contributes to the Iowa Public Employees Retirement System (IPERS), which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by state statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa 50306-9117.

City of Hall

Notes to Financial Statements

June 30, 2013

Most regular plan members are required to contribute 5.78% of their annual covered salary and the City is required to contribute 8.67% of covered salary. Certain employees in special risk occupations and the City contribute an actuarially determined contribution rate. Contribution requirements are established by state statute. The City's contribution to IPERS for the year ended June 30, 2013 and 2012 was \$31,660 and \$27,287, equal to the required contribution for the year.

The City does not have any postemployment benefits for city employees.

**(5) Compensated Absences**

City employees accumulate a limited amount of earned but unused vacation hours for subsequent use or for payment upon termination, retirement or death. These accumulations are not recognized as disbursements by the City until used or paid. The City's approximate liability for earned vacation payable to employees at June 30, 2013, primarily relating to the General Fund, is \$12,370. This liability has been computed based on rates of pay in effect at June 30, 2013.

**(6) Risk Management**

The City is exposed to various risks of loss related to torts; theft, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The City assumes liability for any deductibles and claims in excess of coverage limitations. Settled claims from these risks have not exceeded commercial insurance coverage in the year ended June 30, 2013.

**(7) Related Party Transactions**

The City had no business transactions between City and City officials.

**(8) Deficit net position**

The Capital Projects fund has a deficit balance. The deficit balance was a result cost in excess of budgeted amounts. The deficits will be eliminated with receipts of property assessments.

**City of Hull**

## **Required Supplementary Information**

City of Hull

Budgetary Comparison Schedule  
Of Receipts, Disbursements, and Changes in Balances –  
Budget and Actual (Cash Basis) – All Governmental Funds and Proprietary Funds

Required Supplementary Information

Year ended June 30, 2013

	Governmental Funds Actual	Proprietary Funds Actual
Receipts:		
Property tax	\$ 705,868	
Tax increment financing	707,584	
Other City tax	254,726	
Licenses and permits	103,286	\$ 700
Use of money and property	15,081	2,257
Intergovernmental	365,874	
Charges for service	147,845	975,034
Special assessments	772	
Miscellaneous	63,092	266,420
Other financing source	<u>774,843</u>	<u>153,373</u>
Total receipts	<u>3,138,971</u>	<u>1,397,784</u>
Disbursements:		
Public safety	311,732	
Public works	317,633	
Culture and recreation	399,379	
Community and economic development	444,000	
General government	231,910	
Debt service	578,140	
Capital projects	762,197	
Business type activities		<u>1,189,211</u>
Total disbursements	<u>3,044,991</u>	<u>1,189,211</u>
Other financing uses, including transfers out	<u>(803,216)</u>	<u>(125,000)</u>
Excess (deficiency) of receipts		
Over (under) disbursements	(709,236)	83,573
Balances beginning of year	<u>1,477,363</u>	<u>379,823</u>
Balances end of year	<u>\$ 768,127</u>	<u>\$ 463,396</u>

See accompanying independent auditor's report.

Total	<u>Budgeted Amounts</u>		Final to
	Original	Final	Total Variance
\$ 705,868	\$ 693,844	\$ 693,844	\$ 12,024
707,584	707,446	707,446	138
254,726	243,074	273,074	(18,348)
103,986	106,960	100,343	3,643
17,338	24,200	24,200	(6,862)
365,874	355,877	381,939	(16,065)
1,122,879	988,900	1,120,000	2,879
772	1,282	1,282	(510)
329,512	128,000	187,925	141,587
<u>928,216</u>	<u>340,759</u>	<u>783,683</u>	<u>144,533</u>
<u>4,536,755</u>	<u>3,590,342</u>	<u>4,273,736</u>	<u>263,019</u>
311,732	318,820	323,020	11,288
317,633	457,730	674,295	356,662
399,379	406,760	446,865	47,486
444,000	327,000	459,500	15,500
231,910	219,315	242,090	10,180
578,140	585,167	585,167	7,027
762,197	400,500	1,025,500	263,303
<u>1,189,211</u>	<u>921,868</u>	<u>984,148</u>	<u>(205,063)</u>
<u>4,234,202</u>	<u>3,637,160</u>	<u>4,740,585</u>	<u>506,383</u>
<u>(928,216)</u>	<u>340,759</u>	<u>(483,683)</u>	<u>(444,533)</u>
(625,663)	(387,577)	(950,532)	324,869
<u>1,857,186</u>	<u>1,284,817</u>	<u>1,857,186</u>	
<u>\$ 1,231,523</u>	<u>\$ 897,240</u>	<u>\$ 906,654</u>	<u>\$ 324,869</u>

City of Hull

Notes to Required Supplementary Information – Budgetary Reporting

June 30, 2013

The budgetary comparison is presented as Required Supplementary Information in accordance with Governmental Accounting Standards Board Statement No. 41 for governments with significant budgetary perspective differences resulting from not being able to present budgetary comparisons for the General Fund and each major Special Revenue Fund.

In accordance with the Code of Iowa, the City Council annually adopts a budget on the cash basis following required public notice and hearing for all funds except the blended component unit. The annual budget may be amended during the year utilizing similar statutorily prescribed procedures.

Formal and legal budgetary control is based upon ten major classes of disbursements known as functions, not by fund. These ten functions are: public safety, public works, health and social services, culture and recreation, community and economic development, general government, debt service, capital projects, business type activities and non-program. Function disbursements required to be budgeted include disbursements for the General Fund, the Special Revenue Funds, the Debt Service Fund, the Capital Projects Fund and the Proprietary Funds. Although the budget document presents function disbursements by fund, the legal level of control is at the aggregated function level, not by fund. The City did amend its budget during the year ended June 30, 2013, which increased disbursements by \$1,246,349.

During the year ended June 30, 2013, disbursements did not exceed the amounts budgeted.



## **Other Supplementary Information**

City of Hull

Statement of Cash Receipts, Disbursements  
and Changes in Cash Balances  
Nonmajor Governmental Funds

As of and for the year ended June 30, 2012

	Special Revenue		
	Employee	Road	
	Benefits	Use	Fund
		Tax	
Receipts:			
Property tax	\$45,108		
Other city tax	154		
Miscellaneous	22	\$208,291	\$23,812
	<u>45,284</u>	<u>208,291</u>	<u>23,812</u>
Disbursements:			
Operating			
Public safety	11,438	234,604	4,000
Public works			
Culture and recreation	21,896		20,054
General government	12,162		
Capital projects			
Total disbursements	<u>45,496</u>	<u>234,604</u>	<u>24,054</u>
Net change in cash balances	(212)	(26,313)	(242)
Cash balances beginning of year	<u>49,551</u>	<u>77,086</u>	<u>129,936</u>
Other financing sources, net			17,924
Cash balances end of year	<u>49,339</u>	<u>50,773</u>	<u>147,618</u>
<b>Cash Basis Fund Balances</b>			
Unassigned:			
Special revenue funds	49,339	50,773	147,618
Capital projects fund			
Total cash basis fund balances	<u>\$49,339</u>	<u>\$50,773</u>	<u>\$147,618</u>

See accompanying independent auditor's report.

Schedule 1

<u>Capital Projects</u>		
<u>Street Construction</u>	<u>Building Construction</u>	<u>Total</u>
		\$ 45,108
		208,445
	\$ 138,038	161,872
	138,038	415,425
		250,042
		41,950
	108,589	12,162
\$131,590	522,018	762,197
131,590	630,607	1,066,351
(131,590)	(492,569)	(650,926)
302,397	285,066	844,036
(170,500)	170,500	17,924
307	(37,003)	211,034
		247,730
307	(37,003)	(36,696)
\$ 307	\$(37,003)	\$211,034

City of Hull

Schedule of Indebtedness

Year ended June 30, 2013

Obligation	Date of Issue	Interest Rates	Amount Originally Issued
General obligation bonds:			
2009 ES Street improvement	Jan.25, 2010	1%	\$ 100,000
2006 Street/sewer improvement	Jul 1, 2006	3.85 to 4.4	510,000
Park/Pool	Oct 27, 2011	.50 to 3.85	2,500,000
2011 Street refunding	Oct 27, 2011	.50 to 1.20	780,000
2011-12 Street	Oct 27, 2011	.50 to 1.20	300,000
2013 Golf Issue	January 14, 2013	5.95	80,778
2013 General Issue	July 19, 2012	0	125,000
Total			
TIF Bonds			
TIF agreement	Dec 1, 2011	0	1,290,000
Revenue notes:			
Water			334,230
2007 L & C Water	May 1, 2007	3.85 to 4.4	610,000
2000 Lagoon Sewer	Nov 8, 2000	1.75	750,000
Water ( aspen street line)	Dec 1, 2011	0	95,000
Total			

See accompanying independent auditor's report.

Schedule 2

Balance Beginning of year	Issued During Year	Redeemed During Year	Balance End of Year	Interest Paid
\$ 33,500		\$ 33,500		\$ 800
345,000		65,000	\$ 280,000	14,848
2,400,000			2,295,000	62,387
570,000		210,000	360,000	4,475
240,000		60,000	180,000	2,130
	\$ 80,778	3,897	76,881	5,340
	125,000	31,250	93,750	250
<u>\$3,588,500</u>	<u>\$205,778</u>	<u>\$403,647</u>	<u>\$3,689,278</u>	<u>\$90,230</u>
1,290,000		285,000	1,005,000	0
	\$334,230	\$40,803	\$293,427	8,439
445,000		35,000	410,000	18,938
371,000		40,000	331,000	11,130
95,000		20,000	75,000	0
<u>\$911,000</u>	<u>\$334,230</u>	<u>\$135,803</u>	<u>\$1,109,427</u>	<u>\$38,507</u>

City of Hull  
Bond and Note Maturities  
June 30, 2013

General Obligation Bonds						
Year Ending June 30,	2011 Refunding Issued Oct 27, 2011		2013 Golf Course		2011 Park/Pool Issued Oct 27, 2011	
	Interest Rates	Amount	Interest Rates	Amount	Interest Rates	Amount
2014	.75	\$170,000	7%	\$ 4,446	.75	\$ 105,000
2015	1.00	170,000		4,867	1.00	105,000
2016	1.20	20,000		5,150	1.20	105,000
2017				5,472	1.45	110,000
2018				5,800	1.75	110,000
Thereafter				51,146	Var	1,760,000
Total		<u>\$ 360,000</u>		<u>\$76,881</u>		<u>\$2,295,000</u>

Revenue Notes						
Year Ending June 30,	Water Issued May 1, 2007		Sewer Issued Nov 8, 2000		2012 Garbage	
	Interest Rates	Amount	Interest Rates	Amount	Rates	Amount
2014	4.15	\$ 40,000	1.75	\$ 42,000	1%	\$31,250
2015	4.15	40,000	1.75	44,000		31,250
2016	4.15	40,000	1.75	45,000		31,250
2017	4.25	45,000	1.75	47,000		
2018	4.25	45,000	1.75	49,000		
Thereafter	Var	<u>200,000</u>	1.75	<u>104,000</u>		
Total		<u>\$410,000</u>		<u>\$331,000</u>		<u>\$93,750</u>

See accompanying independent auditor's reports.

### Schedule 3

[illegible]

TIF Debt					
<u>HIDC TIF Agreement</u>		<u>HIDC TIF Agreement</u>			
<u>Issued December 1, 2011</u>		<u>Issued December 1, 2011</u>		<u>2011 L &amp; C Well</u>	
Interest		Interest			
Rates	Amount	Rates	Amount	Rates	Amount
	\$300,000		\$40,000	4	\$63,279
	325,000		5,000		65,857
	325,000		5,000		68,540
			5,000		71,332
					24,418
	<u>\$950,000</u>		<u>\$55,000</u>		<u>\$293,426</u>

Independent Auditor's Report on Internal Control  
over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance with  
Government Auditing Standards

To the Honorable Mayor and  
Members of the City Council:

We have audited in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in the Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of City of Hull, Iowa, as of and for the year ended June 30, 2013, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 20, 2013. Our report expressed unmodified opinions on the financial statements which were prepared on the basis of cash receipts and disbursements, a basis of accounting other than U.S. general accepted accounting principles.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered City of Hull's internal control over financial reporting to determine the audit procedures appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Hull's internal control. Accordingly, we do not express an opinion on the effectiveness of City of Hull's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified deficiencies in internal control we consider to be material weaknesses and significant deficiencies.



A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility a material misstatement of City of Hull's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies in internal control described in Part II of the accompanying Schedule of Findings and Questioned Costs as items II-A-13 to be a material weakness.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control which is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in Part II of the accompanying Schedule of Findings and Questioned Costs as items II-B-13 to be significant deficiencies.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of Hull's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. However, we noted certain immaterial instances of non-compliance or other matters which are described in Part IV of the accompanying Schedule of Findings and Questioned Costs.

Comments involving statutory and other legal matters about the City's operations for the year ended June 30, 2013 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the City. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

### City of Hull's Responses to Findings

City of Hull's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. City of Hull's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

City of Hull

Schedule of Findings

Year ended June 30, 2013

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of City of Hull during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Le Mars, Iowa  
December 20, 2013

City of Hull

Schedule of Findings

Year ended June 30, 2013

**Part I: Summary of the Independent Auditor's Results:**

- (a) Unmodified opinions were issued on the financial statements which were prepared on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles.
- (b) Significant deficiencies and material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.

City of Hull

Schedule of Findings

Year ended June 30, 2013

**Part II: Findings Related to the Financial Statements:**

**INTERNAL CONTROL DEFICIENCIES:**

II-(A)-13 Segregation of Duties – One important aspect of internal control is the segregation of duties among employees to prevent an individual employee from handling duties which are incompatible. When duties are properly segregated, the activities of one employee act as a check on those of another. Generally, one person has control over each of the following areas:

- (1) Cash – reconciling bank accounts, initiating cash receipts and disbursement transactions and handling and recording cash.
- (2) Receipts – collecting, depositing, journalizing and posting.
- (3) Utility receipts – billing, collecting, depositing, posting and reconciling.
- (4) Disbursements – purchasing, check signing, recording and reconciling.
- (5) Payroll – preparing and distributing.
- (6) Transfers – recording and reconciling
- (7) Financial reporting – preparing, reconciling and distributing.
- (8) Accounting system – performing all general accounting functions and having custody of City assets.
- (9) Information system (computer usage) – performing all general accounting functions and controlling all data input and output.

Recommendation – we realize segregation of duties is difficult with a limited number of office employees. However, the City should review its control procedures to obtain the maximum internal control possible under the circumstances utilizing currently available personnel. Evidence of review of reconciliations should be indicated by initials of the independent reviewer and the date of the review.

Response – The Council will become more involved on committees and will review reports for approval prior to Council meetings.

Conclusion – Response accepted.

City of Hull

Schedule of Findings

Year ended June 30, 2013

II-(B)-13 Credit Cards – The City has credit cards for use by various employees while on City business. The City has not adopted a formal policy to regulate the use of credit cards and to establish procedures for the proper accounting of credit card charges. Additionally, supporting documentation was not always available to support credit card charges.

Recommendation – The City should adopt a formal written policy regulating the use of City credit cards. The policy, at a minimum, should address who controls the credit cards, who is authorized to use credit cards and for what purposes, as well as the types of supporting documentation required to substantiate charges.

Response – Although we have not established a formal written policy detailing specifics on the use of City credit cards, we have unwritten guidelines. We will review procedures and guidelines and establish a written policy.

Conclusion – Response accepted.

**INSTANCES OF NON-COMPLIANCE:**

No matters were noted.

City of Hull

Schedule of Findings

Year ended June 30, 2013

**Part IV: Findings Related to Required Statutory Reporting:**

- IV-A-13 Certified Budget – Disbursements during the year ended June 30, 2013 did not exceed the amounts budgeted.
- IV-B-13 Questionable Disbursements – No disbursements we believe may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979 were noted.
- IV-C-13 Travel Expense – No disbursements of City money for travel expenses of spouses of City officials or employees were noted.
- IV-D-13 Business Transactions – No business transactions between the City and City officials or employees were noted.
- IV-E-13 Bond Coverage – Surety bond coverage of City officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to insure the coverage is adequate for current operations.
- IV-F-13 Council Minutes – No transactions were found which we believe should have been approved in the Council minutes but were not.
- IV-G-13 Deposits and Investments – No instances of non-compliance with the deposit and investment provisions of Chapters 12B and 12C of the Code of Iowa and the City's investment policy were noted.
- IV-H-13 Revenue Bonds and Notes – No instances of non-compliance with the revenue bond and note resolution were noted.
- IV-I-13 Annual Financial Report – The City did file the annual financial report for the fiscal year ended June 30, 2013. Chapter 384.22 of the Code of Iowa requires the report be filed with the Auditor of State not later than December 1 of each year.

City of Hull

Staff

This audit was performed by:

Rex E. Knapp, CPA, Partner  
Robert J. Kroese, CPA, Partner

## NEWS RELEASE

FOR RELEASE March 7, 2014

Kroese & Kroese, P.C. today released an audit report on City of Hull, Iowa.

The City's receipts totaled \$3,608,575 for the year ended June 30, 2013. The receipts included \$1,122,879 from charges for service, \$707,584 from TIF, \$660,761 in property tax, and 252,686 from local option sales tax.

Disbursements for the year totaled \$4,234,202, and included \$317,633 for public works, \$311,732 for public safety and \$399,379 for culture and recreation. Also, disbursements for business type activities totaled \$1,189,211.

A copy of the report is available for review in the City Clerk's office, in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/reports/reports.htm>.